

# **FISCAL NOTE**

## **SB 2743 - HB 2783**

February 11, 2004

### **SUMMARY OF BILL:**

1. Promotes the sale of nutritious foods before and during school hours to K-8 students and prohibits the sale of foods of minimum nutritional value during such times.
2. Provides that before school opens and during school hours, individual food items sold to pupils at K-8 schools through vending machines or other sources, including the school nutrition program, shall be limited to the following food items:
  - Whole grain, enriched or fortified grains or grain products;
  - Fruits or 100% fruit juices;
  - Water;
  - Milk or dairy products;
  - Soy-based products;
  - Vegetables or vegetable juices;
  - Electrolyte-replacement beverages; or
  - Nuts, nut spreads, seeds, legumes or trail mixes.
3. Provides that no food of minimum nutritional value shall be sold until at least one-half hour after the end of the school day. During set meal times, school nutrition programs may sell food items that are part of a meal component as defined by the United States Department of Agriculture. Vendors that do not comply with the requirements of the bill, as amended, shall cease the sale of food items in violation of this provision. Non-compliant vendors, at K-8 schools, shall reimburse the school nutrition program for any penalties assessed against the program for violation of this provision.
4. Provides that a school may allow the sale of food items not in compliance as a part of a school fundraising event if the sale of those items by students takes place off school premises, or if the sale of those items takes place at least one-half hour after the end of the school day.
5. Specifies that these are minimum requirements. Schools may exceed the requirements set out in this bill and have more stringent policies regarding school nutrition.
6. Provides that this bill shall only apply to grades K-8 and not to any school that serves grades K-8 in combination, either in whole or in part, with grade nine or other higher grades.

### **ESTIMATED FISCAL IMPACT:**

**Decrease Local Govt. Revenues - Net Impact - Not Significant**

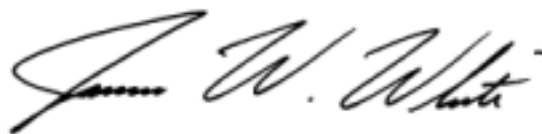
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Estimate assumes:

- School nutrition programs may have to adjust the types of food offered through their programs, which is estimated to decrease expenditures and revenue for unallowable items and increase expenditures and revenue for replacement items. However, according to school nutrition personnel, the impact of doing will be not significant.
- Many systems' competitive food policies already restrict the types of food available through vending machines in K-8 schools.
- School nutrition programs will be allowed to sell certain items with minimum nutrition value (example: chips) as long as such items are sold as a part of the meal component during meal times. Students could be encouraged to purchase more meals from the school nutrition programs since cafeterias would not be restricted to selling items enumerated in the bill; as long as such items are sold as a part of the meal component during meal times, thereby increasing cafeteria sales.
- Most K-8 students would purchase additional food from vending machines with extra money regardless of the type of food offered. If certain items are no longer available through vending machines, students might bring these items to school, which they can do at present.
- Vending machine sales and other in-school food sales would be affected by limiting items sold to pupils before and during school until 30 minutes after the close of the school day. Students could no longer purchase soft drinks, certain fruit drinks, or any foods with minimum nutritional value until at least 30 minutes after the school day ends. However, it is anticipated that sales that are lost to vending machines on certain foods could be offset by increased sales of other items.
- School systems that now have a local policy prohibiting vending machines could allow vending machines in the future if they offer for sale only foods that meet certain nutritional standards.

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director